

Rhode Island Department of Health

Health Data Briefs

The Growth of Home Health Care in Rhode Island

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Introduction

Home health care utilization and costs have risen substantially over the past decade in Rhode Island. The state has witnessed a dramatic increase consistent with national trends in both the total number of home health visits and in the number of home health care agencies that provide these services. As of June 1998, there were 33 freestanding home health agencies in Rhode Island, up from 9 in 1988. This brief examines the growth of home health care in Rhode Island and nationally from Medicare cost reports and other national sources.¹

Defining Home Health Care

The Council on Scientific Affairs of the American Medical Association defines home care as "the provision of equipment and services to the patient in the home for the purpose of restoring and maintaining his or her maximum level of comfort, function, and health...Medical care at home can be preventive, diagnostic, therapeutic, rehabilitative, or long-term maintenance care..."² In addition, the Medicare Payment Advisory Commission notes that individuals eligible for Medicare-reimbursed home health care may receive a number of services, including "occupational therapy, medical social services, and home health aide care on a part-time or intermittent basis."³

From the Medicare Payment Advisory Commission:

Between 1988 and 1997, Medicare spending for home health services grew from \$2 billion to over \$17 billion. Payments per visit remained relatively stable during that period, growing an average of 2 percent annually. Spending was driven by growth in the number of beneficiaries receiving home care and increases in the number of visits received by each patient. Since 1988, the number of beneficiaries receiving home health care has doubled while the number of visits per user has more than tripled.

-Report to the Congress: Context for a Changing Medicare Program, Medicare Payment Advisory Commission, June 1998.

Medicare Home Health Care Visits Nationally Increased 69% from 1993-1996

Table 1 shows the increase in total Medicare visits nationwide during the period 1993-1996. Total visits increased 69%, from 168,029,000 visits in 1993 to 283,939,000 visits in 1996. Furthermore, visits increased each year during the four year period, although the rate of increase declined sharply (from 31% in 1993 to 7% in 1996).

Table 1: Medicare Home Health Care Visits 1993-1996

Year	Number of Visits (in thousands)	Percent increase from previous year
1993	168,029,000	--
1994	220,495,000	31%
1995	266,261,000	21%
1996	283,939,000	7%
1993-1996	938,724,000	69%

Home Health Care Visits in Rhode Island Decreased 48% During the Same Period

Data submitted to the Department of Health shows that the number of home health care visits in Rhode Island (both Medicare and non-Medicare) also increased during the period 1993-1996. Although the increase was not as great as the national increase (48% vs. 69%, respectively), the rate of increase in visits per year remained relatively constant in Rhode Island.

Table 2: Home Health Care Visits in Rhode Island, 1993-1996

Year	Number of Visits	Percent increase from previous year
1993	933,939	--
1994	1,035,471	11%
1995	1,197,204	16%
1996	1,384,600	16%
1993-1996	4,551,214	48%

Certain Types of Home Health Visits in Rhode Island Increased Faster than Others

Numerically, the largest increase in visits from 1993-1996 in Rhode Island was for home health aide (+213,289) and skilled nursing (+159,587). Percentage-wise, the fastest growing types of home health care visits were those for medical social service (+224%) and occupational therapy (+83%). The smallest increase was for speech pathology visits (+35%).

Table 3: Home Health Visits in Rhode Island by Type of Visit, 1993-1996

Type of Visit	1993	1996	Percent increase
Skilled Nursing	• 392,226	• 551,813	41%
Physical Therapy	• 61,991	• 88,307	42%
Occupational Therapy	• 6,854	• 12,544	83%
Speech Pathology	• 4,926	• 6,631	35%
Medical Social Service	• 6,234	• 20,168	224%
Home Health Aide	• 402,057	• 615,346	53%
Other Visits	• 59,651	• 89,791	51%
Total Home Health Care	• 933,939	• 1,384,600	48%

As with Home Health Visits, the Number of Home Health Agencies has also Increased in Rhode Island

The National Association of Home Care reports that nationally since 1987 "...freestanding proprietary agencies have grown faster than any other type of certified agency". This is also true in Rhode Island, where the number of proprietary (for-profit) agencies has risen sharply while the number of VNA/VNS (non-profit) agencies has remained fairly constant. Table 4 shows that as of 1998 there were 33 licensed freestanding home health agencies in the state, of which 7 were VNA/VNS providers and 26 were for-profit providers. This compares to 1988 when there were only 9 licensed freestanding home health agencies in Rhode Island, 1 of which was a proprietary agency. Nonetheless, it should be noted that the majority of visits (75%) are still provided by the VNA/VNS agencies.

Table 4: Home Health Care Agencies in Rhode Island, 1988-1996

Year	VNA/VNS (non-profit)	Proprietary (for-profit)	Total
1988	8	1	9
1989	8	1	9
1990	8	1	9
1991	8	2	10
1992	8	3	11
1993	8	6	14
1994	8	8	16
1995	8	10	18
1996	8	15	23
1997	8	21	29
1998	7	25	33

Conclusion

The home health care industry in Rhode Island has continued to grow, both in terms of the number of visits provided (up 48% from 1993-1996) and in the number of agencies providing services (up from 9 in 1988 to 33 in 1998). However, growth in the number of new agencies in Rhode Island has been

exclusively in the for-profit sector; the number of non-profit agencies has decreased by 1 agency. These industry changes in Rhode Island are consistent with national trends in home health care.

For Additional Information on this Subject:

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For more information about public health in Rhode Island, consult the Rhode Island department of Health Website: www.health.ri.gov

Sources

Data for hospital-based home health agencies is not included in this analysis.

² Council on Scientific Affairs, American Medical Association, 1989.

³ Report to the Congress: Context for a Changing Medicare Program, Medicare Payment Advisory Commission, June 1998, p. 108.

⁴ Ibid.

⁵ Medicare Cost Reports for 1993-1996 submitted to the Department of Health, Office of Health Systems Development.

⁶ National Association of Home Care, 1997, <http://www.nahc.org/Consumer/hcstats.html>